

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on February 14, 2003 at 10:02 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Rep. Dave Lewis (R)
Sen. Bea McCarthy (D)

Members Excused: Sen. Royal Johnson, Vice Chairman (R) arrived at 10:10 am.
Rep. Rosalie (Rosie) Buzzas (D)

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Amy Carlson, OBPP
Pam Joehler, Legislative Branch
Jim Standaert, Legislative Branch
Diana Williams, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notations refer to the material immediately preceding.

See February 11 for additional executive action on HB 2 Language for the University System.

Committee Business Summary:

Hearing & Date Posted: None

Executive Action: HB 2 Language for Montana University System; HB 103, HB 495

**EXECUTIVE ACTION ON HB 2 LANGUAGE, MONTANA UNIVERSITY SYSTEM,
RESEARCH/PUBLIC SERVICES AGENCIES: BEEF TRANSFER POSITION**

During the Executive Action on February 11th there was a motion that dealt with HB 2 Language and the Beef Transfer Position. See Exhibit 1 for details. Further discussion was needed to see if the committee wanted this appropriation to be restricted or to have a nonrestricted status on it. Pam Joehler, Legislative Fiscal Division, passed out Exhibit 1 which shows examples of the possible motions for having this position as a restricted or a line item only with no restriction attached.

EXHIBIT(jeh33a01)

Discussion focused on the type of restriction that the Beef Transfer position should have. If the appropriation would be restricted, the money could only be spent for the Beef Transfer Position. If it would be unrestricted it would be line-itemed, which would allow for easier tracking capability of where the money was distributed. **Ms. Joehler** stated that during the last biennium this appropriation was restricted.

SEN. ESP said that he would prefer that it stayed restricted.

Motion: **SEN. ESP** moved to **KEEP THE BEEF TRANSFER POSITION AS A RESTRICTED APPROPRIATION.** (See Exhibit 1 for the restricted language.)

Discussion:

SEN. MCCARTHY said that when this position was discussed previously she thought that the intent was to have a restriction placed on the appropriation.

Vote: **Motion carried 6-0 by voice vote.** [Proxy vote for REP. BUZZAS; SEN. JOHNSON wasn't in attendance at this time]

{Tape: 1; Side: A; Approx. Time Counter: 0 - 2.3}

[Ms. Joehler and Mr. Bruno left]

EXECUTIVE ACTION ON HB 103

This bill was introduced by Hal Jacobson and deals with school transportation.

CHAIRMAN HEDGES entertained a motion for a do pass.

[SEN. JOHNSON arrived.]

Motion: SEN. MCCARTHY moved HB 103 FOR PURPOSES OF DISCUSSION DO PASS.

Discussion:

SEN. MCCARTHY wanted to know how the funds would be distributed.

Jim Standaert, Legislative Fiscal Division, explained how the funding works presently. He said the smallest size buses that are more than one-half full, receive 85 cents per mile. In addition, for every student on the bus, two more cents per mile is added. This bill would take this formula and provide five rates for the buses ranging from 95 cents for buses rated for not more than 49 passengers to \$1.80 for buses rated for 80 or more passenger seating positions. These categories would simplify the process.

Mr. Standaert further stated that if this bill is passed, the state will kick in \$1.7 million more, the county tax payers will kick in \$1.7 more, and if the budget stays the same, the districts tax payers will reduce their taxes by \$3.4 million.

The \$1.7 million will come from the General Fund. With this funding, then the county will match that amount. The match will raise the revenue to the district from the state and county combined by \$3.4 million, (if the budget stays the same). And therefore the district taxes will go down by 3.4 million, if the budget stays the same.

CHAIRMAN HEDGES stated that if this bill was passed, the shifting of money would occur from the state and county, to the local school districts. The local tax payers would be paying it either through state or county taxes and moving the monies to the school districts.

SEN. JOHNSON wanted to know who is supplying the \$1.7 million to begin with. Mr. Standaert said that the income tax payers would be paying this so the property tax payers would realize a \$1.7 million savings.

The committee further learned that this \$1.7 million would become part of the base. Whatever type of money that is in the General Fund (whether it is from income taxes or any other type of funding mechanism) would be what the State would use to fund this.

SEN. JOHNSON further stated that over the biennium it would be \$3.4 million. It would be helping district tax payers. His concern was that the local tax payers would be helping the smaller group of district tax payers.

{Tape: 1; Side: A; Approx. Time Counter: 2.4 - 7.7}

SEN. ESP wanted clarification on the chance of the budget staying the same giving the increased reimbursements rates in this bill.

Mr. Standaert said that the budget has grown \$7 million over the last eight years, with most of the increase happening in the last three or four years. See Exhibit 2.

EXHIBIT (jeh33a02)

Mr. Standaert further said that all the routes are approved by the county superintendent. The cost of gas and labor, etc. are also part of the budgeting process. New routes or expanding on existing routes would be at the discretion of the county superintendent and dependent on the available funding.

{Tape: 1; Side: A; Approx. Time Counter: 7.7 - 8.8}

Substitute Motion: **REP. LEWIS** made a substitute motion to move that **THE SUBCOMMITTEE'S RECOMMENDATION FOR APPROPRIATIONS WOULD BE TO TABLE HB 103. WE ARE SIMPLY MAKING A RECOMMENDATION TO THE FULL COMMITTEE.**

CHAIRMAN HEDGES stated that the substitute motion is nondebatable.

Vote: Motion carried 5-2 with **REPS. BUZZAS** and **FRANKLIN**, voting no by voice vote. [Proxy vote by BUZZAS]

{Tape: 1; Side: A; Approx. Time Counter: 2.3 - 9.6}

EXECUTIVE ACTION ON HB 495

HB 495 is **REP BIXBY'S** bill to appropriate money to OPI to develop Indian Culture Study.

CHAIRMAN HEDGES entertained a motion for purposes of discussion a Do Pass on HB 495.

Motion: SEN. MCCARTHY moved HB 495 FOR PURPOSES OF DISCUSSION DO PASS.

Discussion:

SEN. MCCARTHY asked that SEN. JOHNSON explain in greater detail the Indian Economic Development Act which was passed a couple of sessions ago.

SEN. JOHNSON told the committee that he chaired a special committee that SPEAKER MERCER had appointed to study economic development. At that time, there were four Native Americans in the legislature. He asked the four Native Americans for their input. After four weeks of contact, REP. EGGARS produced a bill that was to appropriate \$400,000 for use on Indian Reservations to spur the State's economic development. SEN. JOHNSON said it was an open-ended deal. The bill did pass but with \$200,000 appropriated and the funds would come out of the general fund. The economic activity didn't include anybody besides the Tribes.

SEN. JOHNSON further stated that at the following session he asked for a written report of what activities had happened. He said he received a longhand two-page report. There were two attempts to talk to these tribes. One was at Lame Deer and the other at Crow Agency. The dialog didn't happen, but pictures were taken. After that, the two people went back to Billings. The cost of that trip and other activities like meetings and planning sessions, etc. costs \$48,000. So there was \$154,000 left of this appropriation.

SEN. JOHNSON further stated that during this current session Lynn Zanto, Legislative Fiscal Division, wrote a letter to REP. JUNEAU stating the amount of funding that was left for the economic development for the Tribes and he has a copy of that letter. He wanted to use \$120,000 to fund the Indian Education For All proposal. He thought instead of having the money just sitting in the bank it could be used. Since this appropriation dealt with the Native Americans, he thought this would be a way for the funding to occur. He now has learned that the Tribes have ideas as well as an Indian Coordinator so the funding for economic development for the Tribes has a greater potential of being spent.

SEN. JOHNSON ended by saying, "I hope they do it [find economic development for the Tribes]. But in the meantime we might help kids on that reservation from there. I talked to both REP. JUNEAU and REP. BIXBY about this situation and their answer is, 'Oh the Chiefs won't let us have this money.' And my answer was,

'Are you taking care of the Chiefs or the children? Whichever one you want to do is fine with me.'

{Tape: 1; Side: A; Approx. Time Counter: 9-7 - 15.2}

Further discussion was on whether it would be appropriate to have a committee bill that would take \$120,000 from the Tribes that is earmarked for economic development and use it for the Indian Education for All proposal.

SEN. MCCARTHY was aware that both **REP. JUNEAU** and **REP. BIXBY** felt transferring the money wouldn't be appropriate but she felt that the reason for the legislature is to have different ideas. And she would be willing to say this committee bill would be her idea. **SEN. JOHNSON** stated that he would support that.

SEN. ESP, on the other hand, had concerns. He said that when OPI developed the tobacco prevention program from scratch, they used less than \$100,000 to come up with lesson plans, policies and tobacco-free school policies and implementation policies. He felt that the Indian Education For All proposal has the same type of task. So he said he might support a proposal if the funding would be reduced.

SEN. MCCARTHY said that she thought some of the money would be going to a salary for one person. A smaller amount appropriated would also work for her. Her issue is that the money is just sitting there in the bank and the potential of it not being spent is high. She further said that there was a wide range of people testifying in support of this proposal so she felt that by working together, a smaller amount appropriated would still work.

REP. FRANKLIN wanted to voice this issue in a different way. She said that she was at the hearing on the Economic Development issue. The testimony was a little different with different elements.

REP. FRANKLIN said she agrees that there wasn't a great deal of work done. She said whatever the reasons were for the lack of getting the program off the ground the money wasn't spent for inconsequential things and there is money left to spend. To her, airing that the lack of being productive with the money would be a positive step. She also made the point that with appropriations a double edged sword is produced. Either people spend all the money or they spend it on something that to some people may not be important.

REP. FRANKLIN ended by saying that this Indian Education Proposal is another worthy project which could be funded in a different

way. If the money from the Economic Development fund gets transferred to Indian Education it would have the potential of dividing the people. She used the words "cannibalize each other." She would like to give the Tribes another chance at using this money. She said, "You got the money. Go forward."

{Tape: 1; Side: A; Approx. Time Counter: 15.6 - 21.8}

CHAIRMAN HEDGES stated that in the past, the seven tribes haven't been able to agree on their oral history or migratory routes so to ask OPI to come up with a curriculum would be an extreme challenge for this agency. He felt until the tribal leadership does come forward with the programs, OPI has done all they can by putting it in the school's curriculum. So he asked that this bill get tabled.

Motion: REP. LEWIS and SEN. ESP moved that **THE SUBCOMMITTEE RECOMMENDATION FOR APPROPRIATIONS WOULD BE TO TABLE HB 495.**

Vote: Motion carried 4-3 with REPS. BUZZAS, FRANKLIN and SEN. McCARTHY, voting no by voice vote. [Proxy vote by REP. BUZZAS]

[HB 103 & HB 495 will be addressed at the full appropriations committee.]

CHAIRMAN HEDGES and REP. FRANKLIN will be addressing the full Appropriation Committee on both of these bills. **REP. FRANKLIN** agreed to present the proponent's side and **CHAIRMAN HEDGES** will state the opponent's issues.

{Tape: 1; Side: A; Approx. Time Counter: 21.9 - 24.2}

ADJOURNMENT

Adjournment: 10:24 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh33aad)